

Money, Interest, and Prices

An Integration of Monetary and Value Theory
Second Edition

Don Patinkin



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MONEY, INTEREST, AND PRICES

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An Integration of Monetary and Value Theory

Second Edition, Abridged

with a New Introduction

Don Patinkin

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**PATINKIN
MONEY INTR 2ED**



לזכר אבי ואמי

In memory of my parents

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Introduction to Second Edition, Abridged¹

It is gratifying that a quarter of a century after the publication of the second edition of this book it continues to be on reading lists of graduate courses in macroeconomics. The book having gone out of print, it is now reprinted to make it available once again to students. In order to make the book more accessible to them, the third part of the original book—"Supplementary Notes and Studies in the Literature," which constituted about one-fifth of it, and which experience has shown was not much consulted by students—has been omitted. Nevertheless, the contents of this part are still listed in the contents so that the student who wishes to do so can pursue his interests in them in the library. I shall accordingly feel free to refer to some of them in what follows. With the exception of Note K on "Keynes' *General Theory*"—a subject on which I have written much in the past years (see my 1976 and 1982 books)—I have not done any further work on the subject matter of these notes, and hence have little to change or add to them today.²

This reprint thus consists of the text and mathematical appendix of the original work, reproduced unchanged. To attempt to revise them so as to take account of the far-reaching changes that have taken place in macroeconomic theory during the past twenty years would mean to write a new and different book, and this book as it stands has assumed a life of its own that I do not in the present context wish to disturb. The primary purpose of this introduction is instead the limited one of indicating the major ways in which—within the conceptual framework

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